

## Message Text

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AMCONSUL KARACHI

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C O R R E C T E D C O P Y (PARA 3, LINE 1 OMITTED)

COMMERCE FOR SOCKS

E.O. 11652: N/A

TAGS: BEXP, IN

SUBJ: BRITISH MINING MACHINERY MANUFACTURERS MISSION  
TO INDIA

1. ON OCTOBER 7, EMBOFFS DUNCAN-PETERS AND SWEETWEED DISCUSSED THE RESULTS OF THE SEPTEMBER 23-OCTOBER 4 BRITISH MINING MACHINERY MANUFACTURERS MISSION (ABMEX) TO INDIA WITH G.A. DEVERAUX, EIMCO (GREAT BRITAIN) REPRESENTATIVE, AND LLIVER FORSTER, BRITISH HIGH COMMISSION COMMERCIAL COUNSELOR, IN SEPARATE MEETINGS. THE MISSION CONSISTED OF 12 MEMBERS, ALL OF WHOM WERE SALES EXECUTIVES OF COAL-ORIENTED EQUIPMENT MANUFACTURING FIRMS. REPORTEDLY, NONE WERE MINING ENGINEERS OR EQUIPMENT DESIGN SPECIALISTS. THE TEAM VISITED NEW DELHI, NAGPUR, HYDERABAD, CALCUTTA AND DHANBAD, WITH SALES OF UNDERGROUND COALMINING EQUIPMENT AS THE MISSION'S ONLY THRUST.

2. PRIOR TO THE ARRIVAL IN INDIA OF THE ABMEX TEAM, AN AGREEMENT IN PRINCIPLE WAS REACHED BETWEEN THE UK AND  
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THE GOI FOR THE SALE OF OVER 200 NEW AND RECONDITIONED

COAL CUTTING MACHINES, TO BE FINANCED UNDER BRITISH BILATERAL AID. THE DELEGATION, THEREFORE, FOCUSED LARGELY ON OBTAINING ORDERS FOR THE DELIVERY OF THESE UNITS AND TO OFFER OTHER ITEMS OF EQUIPMENT COMPLEMENTARY TO THE COAL CCS. INQUIRIES WERE ALSO MADE INTO POSSIBILITIES FOR INDO/BRITISH COLLABORATION IN THE MANUFACTURE IN INDIA OF BRITISH-TYPE UNDERGROUND PERMISSIBLE (FLAMEPROOF) AIR CIRCUIT BREAKERS, SWITCH GEAR, STEEL PROPS AND CROSS BARS, AND RELATED ITEMS. ACCORDING TO FORSTER, EARLY INDICATIONS ARE THAT, APART FROM THE COAL CUTTER SALES, THE BRITISH MISSION MAYHAVE BEEN ONLY "MODERATELY SUCCESSFUL".

3. THE MOST IMPORTANT READING WE GET FROM OUR DISCUSSIONS WITH DEVERAUX AND FORSTER IS THAT OUR UPCOMING AMERICAN TRADE MISSION MAY BE WELL ADVISED TO CONCENTRATE HEAVILY ON COAL MINE PLANT EQUIPMENT (DRY HANDLING AND WASHERY) AND ANCILLARIES, LARGE SCALE OPEN PIT COAL MINING EQUIPMENT, UNDERGROUND AND OPEN PIT HARD ROCK MINING, EQUIPMENT, BATTERY OPERATED AND TROLLEY LOCOMOTIVES, ORE CARS AND DUMPERS, EXPLOSIVES, AND MINING ENGINEERING SERVICES. CONVERSELY, WE WOULD NOT (NOW) EXPECT TO ACHIEVE A NOTABLE MEASURE OF SUCCESS IF OUR REPRESENTATIVES ATTEMPT TO HIGHLIGHT AMERICAN-MADE COAL CUTTERS, LONGWALL MINING EQUIPMENT, STANDARD HYDRAULIC AND SELF-ADVANCING PROPS, UNDERGROUND COAL AUGER DRILLS, AND SUCH SOPHISTICATED UNITTS AS CONTINUOUS MINERS, GATHERING ARM LOADERS AND SHUTTLE CARS. CLEARLY, THE BRITISH HAVE CORNERED THE CURRENT INDIAN MARKET VIA THE AID ROUTE IN COAL CUTTERS, LONGWALL MINING EQUIPMENT AND PROPS (SALES POSSIBILITIES FOR THE LATTER TWO ARE LIMITED IN INDIA IN ANY CASE). THE BRITISH CLAIM THAT THEY WERE UNSUCCESSFUL IN THEIR ATTEMPT TO INTEREST THE INDIANS IN UNDERGROUND COAL AUGERS BECAUSE OF A PRIOR GOI COMMITMENT TO POLAND IN THIS REGARD. THEY ALSO CONCLUDED THAT INDIA'S RECENTLY NATIONALIZED COAL INDUSTRY WILL NOT BE ABLE TO IMPROVE ITS MANY SMALL, AND PRIMITIVELY-OPERATED, UNDERGROUND MINES SUFFICIENTLY FAST TO PERMIT THE USE OF MODERN LARGE SCALE UNDERGROUND COAL MINING EQUIPMENT IN THE NEXT FIVE YEARS (I.E., JOY-TYPE CONTINUOUS AND CONVENTIONAL MINERS, GATHERING ARM LOADERS AND SHUTTLES).

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4. WE FIND THE RESULTS OF THE BRITISH TEAM'S EFFORTS IN INDIA TO BE INTERESTING AND EXTREMELY USEFUL. WE ARE ALSO PLEASED TO NOTE THAT THE OVERALL SALES APPROACH WE HAVE RECOMMENDED FOR OUR TRADE MISSION REMAINS VALID, AND WE DO NOT FIND A SERIOUS CONFLICT OF INTERESTS BETWEEN THE BRITISH SALES EFFORTS AND THOSE WE ANTICIPATE FOLLOWING OUR MISSION'S TRAVELS IN INDIA. WE WOULD, HOWEVER,

APPRECIATE IT IF THE DEPARTMENT OF COMMERCE WOULD BRING  
THE BRITISH EXPERIENCE TO THE ATTENTION OF EACH SELECTED  
AMERICAN TEAM MEMBER BEFORE HE LEAVES FOR INDIA-SO  
THAT HE MAY BE BETTER PREPARED TO OFFER THE INDIANS WHAT  
INDIA NEEDS. MOYNIHAN

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